

Southeast Iowa Regional Planning Commission

Independent Auditor's Reports
Financial Statements
Supplemental Information
Schedule of Findings & Questioned Costs

Year Ending June 30, 2015

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SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
BOARD OF DIRECTORS AND OFFICERS

<u>Name</u>	<u>Title</u>	<u>Representing</u>
<u>Executive Board of Directors</u>		
Brent Schleisman	Chairperson	City of Mount Pleasant
Sue Frice	Vice Chairperson	Workforce Representative
Mark Huston	Secretary	City of Columbus Junction
Hans Trousil	Treasurer	City of West Burlington
Gary Folluo	Member At Large	Lee County
<u>Full Board Members</u>		
Des Moines County:		
Robert Beck	Board Member	Des Moines County
Jim Davidson	Board Member	City of Burlington
Bob Hesler	Board Member	Private Sector
Henry County:		
Ron Sadler	Board Member	City of New London
Klay Edwards	Board Member	Private Sector
Greg Moeller	Board Member	Henry County
Lee County:		
David Varley	Board Member	City of Fort Madison
Michael O'Connor	Board Member	City of Keokuk
Steve Bisenius	Board Member	Private Sector
Louisa County:		
Brad Quigley	Board Member	Private Sector
Richard Taylor	Board Member	City of Wapello
Chris Ball	Board Member	Louisa County
Others:		
Dr. Michael Ash	Board Member	Southeastern Comm. College
Dr. Steve Titus	Board Member	Iowa Wesleyan College

Southeast Iowa Regional Planning Commission Management

Mike Norris	Executive Director
Jeff Hanan	Assistant Director
Lori Gilpin	Finance Director
Nicole Baker	Transit Director
Zach James	Planning Director

John D. Morrow

Certified Public Accountant

**Member
Iowa
Society**
Certified Public Accountants

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January 8, 2016

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Southeast Iowa Regional Planning Commission
Burlington, Iowa

Report on Financial Statements

I have audited the accompanying financial statements of Southeast Iowa Regional Planning Commission (an Iowa 28E organization), which comprise the statement of financial position as of June 30, 2015, and the related statement of activities, changes in net assets, and cash flow for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southeast Iowa Regional Planning Commission as of June 30, 2015, and the results of its operations and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-10 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the financial statements, and other knowledge I obtained during my audit of the financial statements. I do not express an opinion or provide any assurance of the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Program Funds, the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, the Schedule of Proportionate Share of the Net Pension Liability and the Schedule of IPERS Contribution-Last 9 Years are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 8, 2016 on my consideration of Southeast Iowa Regional Planning Commission's internal control over financial reporting and on my test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Southeast Iowa Regional Planning Commission's internal control over financial reporting and compliance.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

As management of Southeast Iowa Regional Planning Commission, we offer the readers of Southeast Iowa Regional Planning Commission's financial statements this narrative overview and analysis of the financial activities of the commission for the fiscal year ended June 30, 2015. This report is intended to serve as an introduction to Southeast Iowa Regional Planning Commission's basic financial statements.

Financial Highlights

1. The assets of the Commission exceeded its liabilities as of June 30, 2015 by \$4,396,718 (net assets). Of this amount, \$3,090,780 represents amounts that are non-spendable, which consist of investments in property & equipment, and reserves for loans. The unassigned local net assets equal \$60,373 and the assigned local net assets equal \$2,017,662. The pension related net asset equaled \$(772,097).
2. The Commission's total net assets decreased by \$637,316 over the prior year. This decrease represents a 12.7% decrease from the prior year.
3. Revenues were \$5,232,559, which is \$200,186 under the cost/expenses.
4. The total cost of programs increased \$778,151.

Overview of the Financial Statements

The Commission's basic financial statements are comprised of 1) financial statements and 2) notes to the financial statements. In addition, other supplementary information to the basic financial statements is provided.

The financial statements include a *Statement of Financial Position*, a *Statement of Activities*, a *Statement of Changes in Net Assets*, and a *Statement of Cash Flow*. These statements present information of the Commission's finances in a manner similar to governmental activities. The activities are consolidated and present the operations as a whole.

The *Statement of Financial Position* presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in the Commission's net assets are an indicator of whether its financial position is improving or declining, respectively.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

The *Statement of Activities* presents information showing how the commission's net assets changed during the year. This statement reports the cost of activities and how those costs were recovered for the fiscal year.

The *Statement of Cash Flow* presents information on the cash flow of the Commission during the fiscal year. This information can assist the user of the report in determining how the Commission financed its activities and how it met its cash requirements.

Notes to the financial statements

The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the financial statements. The notes to the financial statements are found on pages 16-29. The additional supplemental information is found on pages 31-36.

Financial Analysis of the Commission's Net Assets

The table below is a summary of the Commission's net assets for the year ended June 30, 2015 compared to 2014.

NET ASSETS	2015	2014
Current and other assets	\$ 2,776,616	\$ 3,492,813
Property and equipment	1,784,741	1,898,430
Other assets	1,848,634	1,457,155
Pension related deferred outflows	127,789	0
Total Assets	6,537,780	6,848,398
Long-term liabilities outstanding	1,666,610	1,137,159
Other liabilities	238,268	677,205
Pension related deferred inflows	236,184	0
Total Liabilities	2,141,062	1,814,364
Non-spendable	3,090,780	2,755,812
Unassigned	60,373	644,914
Assigned	2,017,662	1,633,308
Net Pension	(772,097)	0
Total net assets	\$ 4,396,718	\$ 5,034,034

As noted earlier, net assets may serve over time as a useful indicator of the Commission's financial position. In the case of the Commission, assets exceeded liabilities by \$4,396,718 at the close of the most recent fiscal year.

By far the largest portion of the Commission's net assets reflected in the non-spendable net assets, is its investments in property, equipment and vehicles totaling \$1,720,789 net of accumulated depreciation. The Commission records assets using historical cost. If actual cost is not known, an estimated historical cost will be used. The combined net assets for the revolving loan fund programs are \$1,369,991, which is the total non-spendable net assets.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Change in Net Assets from Operating Results

Revenues:	<u>2015</u>	<u>2014</u>
Federal awards	\$ 3,069,397	\$2,130,602
State and local contract awards	703,173	814,775
General public & per capita	232,361	210,609
Loan repayments	290,121	275,013
Interest from loans	66,610	61,790
Interest from investments	6,303	8,270
Other revenues	761,291	828,003
In-kind	21,838	0
Matching funds	<u>81,465</u>	<u>111,690</u>
Total Revenues	5,232,559	4,440,752
Expenses:		
Community planning & admin. programs	329,131	324,362
Local housing programs	432,140	211,522
Revolving loan funds	798,435	832,472
Economic development planning grant	141,312	87,362
Regional intermodal planning	155,905	194,446
Multi-family new construction	2,209,277	1,234,134
Downtown Partners program	0	121,596
Single-family new construction	84,670	221,088
Public Transit-Operating	886,759	925,903
Public Transit-Capital	<u>0</u>	<u>57,317</u>
Total Direct Expenses	5,037,629	4,210,202
Indirect Costs	<u>395,116</u>	<u>444,392</u>
Total Expenses	5,432,745	4,654,594
Net Revenue over (under) expenses	\$ (<u>200,186</u>)	\$ <u>213,842</u>

The commission's total revenues increased 18% to \$5,232,559. State and local contract revenues decreased \$111,602.

The total cost of all programs and services increased by \$778,151. The Commission's expenses are predominantly related to providing services such as flood assistance, planning, development, grantmanship, or technical assistance to the Commission's members.

Capital Assets

By the end of the 2015 fiscal year, the Commission had no investments in capital assets. Total depreciation expense for the year was \$113,689.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2015

Long-term Debt

At the end of the current fiscal year, the Commission had total debt outstanding of \$1,111,946, which is an 11% decrease from the prior year. The debt consists of loans payable to the US Department of Agriculture for funds drawn to be used in the Intermediary Relending Programs, and loans from Two Rivers Bank and Trust for the purchase of building and land and company vehicles. Additional information about the Commission's long term debt is presented in the financial statement Footnote 10.

Economic Factors on the Commission's Future

At the time these financial statements were prepared and audited, the Commission was aware of several key factors that may potentially impact the Commission's future funding levels.

- Local, State and Federal economic conditions are key indicators for resource availability and monitoring these conditions will be prudent for SEIRPC and its future success in regional service delivery.
- Per Capita fees look to be incrementally increased annually for the foreseeable future. As demand for services remains constant and increases in areas annually, SEIRPC must find ways to deliver valuable services and manage its internal economics. Per capita dues are a central factor in SEIRPC's ability to provide services and leverage grants.
- Health Insurance costs have stabilized but management continues to seek alternatives to reduce its future health insurance costs and liability.
- SEIRPC purchased a facility in 2010 which has provided the necessary staff space and long term opportunity for service delivery. The facility is fully leased.

Contacting the Agency's Financial Management

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Southeast Iowa Regional Planning Commission, 211 N. Gear Ave., Suite 100, West Burlington, Iowa 52655.

FINANCIAL STATEMENTS

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
STATEMENT OF FINANCIAL POSITION
Year Ending June 30, 2015

ASSETS:

CURRENT ASSETS:

Cash and cash equivalents	\$ 2,148,229
IRP Cash restricted	37,788
Accounts receivable & program reimbursements	236,131
Prepaid insurance	70,468
Current portion - loans receivable	<u>284,000</u>
Total Current Assets	<u>2,776,616</u>

PROPERTY AND EQUIPMENT:

Capital Expenditures Not Included As Grant Costs:

Equipment	40,264
Vehicles	59,497
Less: accumulated depreciation	(<u>35,809</u>)
	<u>63,952</u>

Capital Expenditures Included As Grant Costs:

Land, buildings, and improvements	1,401,710
Equipment	38,263
Vehicles/Transit	865,251
Less: accumulated depreciation	(<u>584,435</u>)
	<u>1,720,789</u>
Total Property and Equipment	<u>1,784,741</u>

OTHER ASSETS:

Housing loans receivable	59,578
Business enterprise loans receivable	2,073,056
Less: Current portion	(<u>284,000</u>)
Total Other Assets	<u>1,848,634</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related deferred outflows	<u>127,789</u>
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TOTAL ASSETS \$ 6,537,780

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
STATEMENT OF FINANCIAL POSITION (continued)
Year Ending June 30, 2015

LIABILITIES AND NET ASSETS:

CURRENT LIABILITIES:

Accounts payable	\$ 67,257
Rental deposits	2,250
Notes payable	0
Current portion of long-term debt	64,637
Accrued payroll, benefits, and annual leave	69,230
Accrued interest payable	11,284
Prepaid revenue	<u>23,610</u>
Total Current Liabilities	<u>238,268</u>

LONG TERM LIABILITIES:

Net pension liability	619,301
Note payable - vehicles & equipment	18,165
Note payable - IRP loans	762,643
Mortgage payable - real estate	331,138
Less: Current Portion	(64,637)
Total Long Term Liabilities	<u>1,666,610</u>

DEFERRED INFLOWS OF RESOURCES

Pension related deferred inflows	<u>236,184</u>
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Total Liabilities	<u>2,141,062</u>
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NET ASSETS:

NON-SPENDABLE:

Investment in property & equipment-SEIBUS	375,503
Investment in property & equipment-other	1,345,286
Reserve for loans	1,369,991
Unassigned Net Assets	60,373
Assigned - RLF	2,017,662
Net Asset Pension	(772,097)
Total Net Assets	<u>4,396,718</u>

TOTAL LIABILITIES & NET ASSETS	\$ <u>6,537,780</u>
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See accompanying Notes to Financial Statements

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
STATEMENT OF ACTIVITIES
Year Ending June 30, 2015

Revenues:

Federal awards	\$ 3,069,397
State & local contracts	703,173
General public & per capita	232,361
Loan repayments	290,121
Interest from loans	66,610
Interest from investments	6,303
Other revenues	761,291
In-kind	21,838
Matching funds & reimbursements	81,465
Total Revenue	<u>5,232,559</u>

Direct Program Expenses:

Community planning & admin. programs	329,131
Economic development planning grant	141,312
Revolving loan funds	798,435
Multi-family new construction	2,209,277
Local Housing Admin programs	432,140
Single-family new construction	84,670
Regional intermodal planning	155,905
Public transit-Operating	886,759
Public transit-Capital	0
Total Direct Program Expenses	<u>5,037,629</u>
Indirect Costs	<u>395,116</u>

Total Expenses	<u>5,432,745</u>
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Net revenue over expenses	\$ (<u>200,186</u>)
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See accompanying Notes to Financial Statements.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
STATEMENT OF CHANGES IN NET ASSETS
Year Ended June 30, 2015

Net Assets-beginning of year	\$ 5,034,034
Revenue (under) expenses	(200,186)
Decrease in property & equipment (included as grant costs)	(105,227)
Increase in housing & business enterprise loans receivable	400,479
Decrease in housing & IRP loans payable	39,715
Decrease in net asset pension	(<u>772,097</u>)
Net Assets - end of year	\$ <u><u>4,396,718</u></u>

See accompanying Notes to Financial Statements.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
STATEMENT OF CASH FLOW
Year Ended June 30, 2015

Resources Provided (Used) By:	
Cash Flow from Operating Activities:	
Revenue over expenses	\$ (200,186)
Note increase included as revenue:	
IRP loan proceeds used for re-lending	0
Note payments included as expenditures:	
Loan payments	39,715
Purchase of vehicles & equipment (included in grant costs)	0
Items not requiring outlays of cash:	
Depreciation (excluding equipment included in grant costs)	8,462
Pension expense-funding purpose	(44,401)
Change in Operating Assets & Liabilities:	
Decrease in accounts receivable	428,402
Increase in prepaid expenses	(70,468)
Decrease in accounts payable	(119,744)
Decrease in rental deposits	(1,200)
Decrease in payroll, annual leave, and benefits	(2,320)
Decrease in accrued interest payable	(1,486)
Decrease in prepaid revenue	(<u>268,546</u>)
	(<u>231,772</u>)
Cash Flow From Investing Activities:	
Purchase of vehicles & equipment	0
Increase in IRP restricted cash	(<u>16,907</u>)
	(<u>16,907</u>)
Cash Flow From Financing Activities:	
Borrowing - housing line of credit	37,500
Payments - housing line of credit	(75,395)
Borrowing - long term notes	0
Payments - long term notes	(<u>97,596</u>)
	(<u>135,491</u>)
Net Decrease in Cash	(384,170)
Cash, Beginning of Year	<u>2,532,399</u>
Cash, End of Year	\$ <u><u>2,148,229</u></u>

See accompanying Notes to Financial Statements.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Note 1 Nature of Activities and Significant Accounting Policies
 A. Nature of Activities

In 1973, Southeast Iowa Regional Planning Commission (SEIRPC) entered into a 28E agreement to service the Iowa counties of Des Moines, Henry, Lee and Louisa and local governments (cities and school districts) within the four county region.

The purposes for which SEIRPC was organized are to provide joint services and facilities with other agencies to promote and assist the economic development of business concerns through growth and development, and aid in development opportunities to the region, thereby increasing employment, business volume, and business payrolls. To accomplish these purposes, SEIRPC has all the powers enumerated in Chapter 504 of the Code of Iowa. These powers are limited to the definitions and purposes encompassed by Section 501(c)(1), of the Internal Revenue Code. In addition, SEIRPC has the power and duty to make comprehensive studies and plans for the development of the area it serves, to eliminate planning duplication, to promote governmental economy and efficiency, and to otherwise guide the unified development of the area.

Southeast Iowa Regional Planning Commission (SEIRPC) owns and operates the Region 16 Public Transit System (SEIBUS). This public transit system provides transit services to senior citizens, persons with disabilities, preschool and school aged students, and the general public. Region 16 Public Transit System (SEIBUS) operates in Des Moines, Henry, Lee, and Louisa counties and is recognized by the Department of Transportation as the regional transit organization. The mission of Region 16 Public Transit System (SEIBUS) is to provide safe, dependable, and efficient public transit services for all citizens within its service area in a manner which will help them maintain and improve their quality of life. Transportation planning staff are active in programming federal dollars available to the Commission, developing projects utilizing state and federal dollars, preparing transportation planning document, Geographic Information Systems mapping and analysis, travel demand modeling, grant applications to federal and state governments, and regional cooperation related to transportation issues and transit planning.

Southeast Iowa Regional Planning Commission (SEIRPC) serves as the Regional Planning Affiliation (RPA) for the counties of Des Moines, Henry, Lee, and Louisa. As the RPA, SEIRPC prepares all planning documents pursuant to transportation planning in the region, including the programming of regional federal funds for transportation. SEIRPC is advised by a Transportation Advisory Committee on all planning documents. Final decisions on these documents are made by the Board of Directors of Southeast Iowa Regional Planning Commission. The Planning and Zoning Department provides a number of services relating to land use and development to various clients within the region. Specifically, actual on-site land use administration, technical assistance with zoning and subdivision issues, revision and development of comprehensive plans, urban renewal plan formulation, annexations, ordinance codification

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2015

Note 1 Nature of Activities and Significant Accounting Policies (continued)

A. Nature of Activities

updates and capital improvement budgeting are all provided under individual contracts with cities and/or counties within the four-county area.

Southeast Iowa Regional Planning Commission administers grants received by clients from different funding sources. The staff works one-on-one with the agency officials and city or county officials to insure that all of the grantor agency requirements are met, and retains records related to the grant administration activities.

Southeast Iowa Regional Planning Commission assists the communities and counties in identifying housing needs. Once needs are identified, the organization will work with the necessary partners to achieve those goals. Examples of programs include various housing rehabilitation programs, down payment assistance, rental projects, new construction, development of lots for sale, and lead base paint & inspection services.

The organization is dependent on continued funding by Federal, State and local governmental bodies to provide the programs necessary to support the services and objectives set out above.

B. Significant Accounting Policies

Program Fund Accounting - To ensure observance of limitations and restrictions placed on the use of resources available to Southeast Iowa Regional Planning Commission, the accounts of the organization are maintained in accordance with the principles of accounting for program grants, activities, and functions. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each program, grant, activity, or function; however, in the accompanying financial statements, programs that have similar characteristics have been combined into program groups. Accordingly, all financial transactions have been recorded and reported by group.

Basis of Accounting - Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with U.S. generally accepted accounting principles. Grant or contract revenue is recognized when earned. The program agreements, grants, and contracts are written on an expense reimbursement basis and accordingly, grant or contract revenue is earned when allowable program expenses are incurred. The financial statements present any funds received and not expended as net assets. Expenses are recorded when the liability is incurred. Disbursements for the purchase of vehicles and equipment in the Region 16 Public Transit Program, which provide future benefits, are recorded as expenses in the program at the time of purchase and capitalized and presented in the Statement of Financial Position. Disbursements for the purchase of vehicles and equipment in the local administrative program are capitalized and depreciated over the assets useful lives. For these capital assets, depreciation is recovered through program reimbursements or in the indirect cost rate.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2015

Note 1 Nature of Activities and Significant Accounting Policies (continued)

B. Significant Accounting Policies (continued)

Basis of Presentation - Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the SEIRPC and changes therein are classified and reported as follows:

Unassigned net assets - Net assets that are not subject to donor-imposed stipulations.

Revenues are reported as increases in unassigned net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unassigned net assets.

Assets, Liabilities and Net Assets - The following accounting policies are followed in preparing the statement of financial position.

Cash and Cash Equivalents - Cash and cash equivalents includes amounts in demand deposits, savings accounts, and money market funds.

Accounts Receivable and Program Reimbursements - Reimbursement procedures used for grants and contracts may result in timing differences between program reimbursements and expenses as of the beginning and end of the year. Program funds, accounts receivable, and reimbursements include amounts due to SEIRPC but not received at year end.

Allowance for Doubtful Accounts - The direct write-off method is used to account for uncollectible housing and business loans. There is no provision for bad debts since management considers all receivables are to be collectible.

Property and Equipment - Property, vehicles and equipment are valued at historical cost. Vehicles and equipment in the Region 16 Public Transit Program are recorded as expenses. The purchases are then capitalized accumulating the net investment in property and equipment. Depreciation has been provided using the straight-line method over the estimated useful lives of the respective assets, generally 40 years for building and improvements and 5 to 10 years for vehicles and equipment. Disbursements for the purchase of vehicles and equipment in the local administrative program are capitalized and depreciated over the assets useful lives. Depreciation is recovered through program reimbursements or in the indirect cost rate. The depreciated cost of the property and equipment does not purport to be either a realizable value or a replacement value. Expenses for maintenance, repairs, and minor replacements are charged to the current year, while the cost for major replacements and betterments are capitalized. The cost of assets disposed is deleted.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2015

Note 1. Nature of Activities and Significant Accounting Policies (continued)

B. Significant Accounting Policies (continued)

Paid Time off (PTO) - Employees of SEIRPC accumulate a limited amount of earned but unused annual PTO leave payable to employees. Annual PTO accruals are based on the number of hours worked by eligible employees and the length of service. Upon separation of employment, accrued unused PTO will be paid out to the employee. Amounts representing the cost of annual PTO leave expected to be liquidated currently are recorded as liabilities computed based on current rates of pay.

Prepaid revenue - Prepaid revenue represents cash advances by the funding source at year end.

Indirect Cost Allocation - Southeast Iowa Regional Planning Commission has adopted a cost allocation rate to allocate joint costs to the various programs. SEIRPC has established an indirect cost rate for use on grants, contracts, and other agreements with the Federal Government to which 2 CFR 225 (OMB Circular A-87) applies. SEIRPC has requested approval and received a final indirect cost rate of 35.76% for fiscal year 7/1/2014 to 6/30/2015, which was calculated using an indirect cost rate base type of direct labor and benefits. Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs. PTO, long-term illness, and other paid absences are included in salaries and wages and are claimed on grants, contracts, and other agreements as part of the normal cost for the salaries and wages. The calculation was based on actual costs from fiscal year 2014 to obtain a federal cost billing rate for fiscal year 2015. SEIRPC is required to submit to the U.S. Department of Commerce (DOC) an annual Certificate of Indirect Costs. The submission of this form is due to the DOC within six (6) months after the close of each fiscal year.

Budgetary Accounting - SEIRPC is not required by statute to use budgetary accounting. Therefore, no budgetary information is included in these financial statements.

Income Taxes - Southeast Iowa Regional Planning Commission is exempt from Federal income taxes under provisions of Internal Revenue Code Section 501(c)(1).

Use of Estimates

The preparation of financial statements in conformity with U. S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from amounts estimated. These estimates involve useful lives for depreciation of assets, allowance for doubtful accounts, loss contingencies, and other estimating techniques as may be required to record effects of future events.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2015

Note 2 Lease Agreements for Property and Equipment

The Commission has entered into an operating lease to rent Regional Transit Authority vehicle storage space in Burlington, Iowa on a month to month basis. Rent paid for the year ended June 30, 2015 was \$7,800.00.

SEIRPC may be obligated under other lease agreements accounted for as operating leases for equipment. In the event insufficient program funding occurs, these leases may be prematurely terminated with appropriate notice.

Note 3 Pension and Retirement Benefits

Plan Description - IPERS membership is mandatory for employees of the Organization. Employees of the Organization are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by Iowa Public Employees' Retirement System (IPERS). IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive PO Box 9117, Des Moines, Iowa 50306-9117 or at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits - A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first. (These qualifications must be met on the member's first month of entitlement to benefits.) Members cannot begin receiving retirement benefits before age 55. The formula used to calculate a Regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary. (For members with service before June 30, 2012, the highest three year average salary as that date will be used if it is greater than the highest five-year average salary.)

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2015

Note 4 Pension Plan (continued)

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

Disability and Death Benefits - A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

Contributions - Effective July 1, 2012, as a result of a 2010 law change, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to 1 percentage point. IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment based on a 30-year amortization period. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by the Investment Board.

In fiscal year 2015, pursuant to the required rate, Regular members contributed 5.95 percent of pay and the Organization contributed 8.93 percent for a total rate of 14.88 percent.

The Organization's contributions to IPERS for the year ended June 30, 2015 were \$94,659.

Net Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions - At June 30, 2015, the Organization reported a liability of \$619,301 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Organization's proportion of the net pension liability was based on the Organization's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2014, the Organization's proportion was 0.015302 percent, which was an increase of 0.000054 percent from its proportion measured as of June 30, 2013.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2015

Note 4 Pension Plan (continued)

For the year ended June 30, 2015, the Organization recognized pension expense of \$ 94,659 for cost reporting purposes and \$50,258 for financial reporting purposes. . At June 30, 2015, the Organization reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows <u>of resources</u>	Deferred Inflows <u>of resources</u>
Difference between expected and actual experience	\$ 6,731	\$ 0
Changes of assumptions	27,331	0
Net difference between projected and actual earnings on pension plan investments	0	236,184
Changes in proportion and differences between Organization contributions and proportionate share of contributions	2,478	0
Organization contributions subsequent to the measurement date	<u>91,249</u>	<u>0</u>
Total	\$ <u>127,789</u>	\$ <u>236,184</u>

\$127,789 reported as deferred outflows of resources related to pensions resulting from the Organization's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

June 30, 2016	\$ (51,354)
June 30, 2017	(51,354)
June 30, 2018	(51,354)
June 30, 2019	(51,354)
June 30, 2020	5,772
Thereafter	<u>-</u>
Total	\$ <u>(199,644)</u>

Actuarial Assumptions - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Inflation (effective June 30, 2014)	3.00 percent
Salary increases (effective June 30, 2014)	4.00 percent, average, including inflation
Investment rate of return (effective June 30, 2014)	7.50 percent per annum, compounded annually, net of pension plan investment expense, including inflation

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of actuarial experience studies with dates corresponding to those listed above.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2015

Note 4 Pension Plan (continued)

Mortality rates were based on the RP-2000 Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	23%	6.31
Non US Equity	15	6.76
Private Equity	13	11.34
Real Estate	8	3.52
Core Plus Fixed Income	28	2.06
Credit Opportunities	5	3.67
TIPS	5	1.92
Other Real Assets	2	6.27
Cash	<u>1</u>	(0.69)
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the Organization will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Organization's proportionate share of the net pension liability to changes in the discount rate - The following presents the Organization's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Organization's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease <u>(6.5%)</u>	Discount Rate <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
Organizations proportionate share of the net pension liability	\$ 1,170,153	\$ 619,301	\$ 154,326

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2015

Note 4 Pension Plan (continued)

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to the Pension Plan

At June 30, 2015, the Organization reported payables to the defined benefit pension plan of \$7,521 for legally required employer contributions and \$5,011 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

The Southeast Iowa Regional Planning Commission contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 5.95% of their annual covered salary and the Southeast Iowa Regional Planning Commission is required to contribute 8.93% of annual covered payroll. Contribution requirements are established by State statute. Southeast Iowa Regional Planning Commission's contribution to IPERS for the year ended June 30, 2015 was \$94,659, equal to the employer required contributions for the year.

Note 4 Contingent Liability - Long-term Illness Leave

Prior to 2009, Southeast Iowa Regional Planning Commission's full time employees accumulate long-term illness leave hours for subsequent use. No compensation is made for accrued long-term illness leave at time of separation and these accumulations are not recognized as expenses until used.

Note 5 Self-Funded Health Insurance

Southeast Iowa Regional Planning Commission initiated a self-funded health insurance program to reduce overall health insurance costs. The fund, which receives payments through employee withholding, supports the cost of higher deductibles for each employee. The fund tracks contributions and claims by employee, however, no accounting by employee is required. The self-funded health is a co-mingled balance of all participant amounts.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2015

Note 6 Organization Risk Management

Southeast Iowa Regional Planning Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Southeast Iowa Regional Planning Commission assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 7 Total Deposit Accounts And Insured Depository Limits

Southeast Iowa Regional Planning Commission maintains checking, savings, and money market accounts in various financial institutions. These financial institutions classify these deposits as public funds and are subject to the guidelines referred to in Chapter 12C of the Code of Iowa. As of the fiscal year end, the following financial institutions held public funds totaling:

	<u>June 30, 2015</u>
Two Rivers Bank & Trust	\$ 2,140,884
KSB Bank	143,830

Note 8 Vehicles, and Equipment

A summary of vehicles, equipment, and the components of accumulated depreciation for the year ending June 30, 2015, are as follows:

<u>Cost</u>	<u>CAPITAL EXPENDITURES INCLUDED AS GRANT COSTS:</u>				<u>CAPITAL EXPENDITURES NOT INCLUDED AS GRANT COSTS:</u>		
	<u>Land, Bldg & Equipment</u>	<u>Transit Vehicles</u>	<u>Program Equip.</u>	<u>Total</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
Beginning	\$1,401,710	\$ 953,771	\$38,263	\$ 2,393,744	\$ 59,497	\$ 40,264	\$ 99,791
Additions	0	0	0	0	0	0	0
Disposals	0	(88,520)	0	(88,520)	0	0	0
Ending	<u>1,401,710</u>	<u>865,251</u>	<u>38,263</u>	<u>2,305,224</u>	<u>59,497</u>	<u>40,264</u>	<u>99,761</u>
<u>Accum. Depr.</u>							
Beginning	57,846	492,643	17,239	567,728	4,491	22,856	27,347
Current depr.	16,225	85,625	3,377	105,227	2,858	5,604	8,462
Disposals	0	(88,520)	0	(88,520)	0	0	0
Ending	<u>74,071</u>	<u>489,748</u>	<u>20,616</u>	<u>584,435</u>	<u>7,349</u>	<u>28,460</u>	<u>35,809</u>
Net	<u>\$1,327,639</u>	<u>\$ 375,503</u>	<u>\$17,647</u>	<u>\$ 1,720,789</u>	<u>\$ 52,148</u>	<u>\$11,804</u>	<u>\$ 63,952</u>

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2015

Note 9 Housing and Business Enterprise Loans Receivable

SEIRPC accounts for grant proceeds as revenue. Principal and interest payments received are accounted for as program revenues when received. Loans and grants paid to families are treated as expenses at the time the loan is made to accommodate the required reporting format on quarterly reports.

Southeast Iowa Regional Planning Commission administers Community Development Block Grants revolving loans (CDBG Loans) for various cities within the region. The loans are for down payment assistance or for a portion of the cost of housing rehabilitation.

Southeast Iowa Regional Planning Commission received a loan from the US Department of Agriculture Intermediary Relending Program (IRP Loans). The loan proceeds plus local match are to be used for business enterprise loans.

Southeast Iowa Regional Planning Commission received a Department of Commerce Loan Program (EDA Loans) and the grant proceeds are used for business enterprise loans.

The balance of all loans is reflected as other assets on the combined statement of net assets. A summary of activity is as follows:

Fiscal Year June 30, 2015

	<u>Beginning Balance</u>	<u>Payments Received</u>	<u>Writeoffs</u>	<u>New Loans</u>	<u>Ending Balance</u>
CDBG/Home	\$ 55,149	\$ 5,571	\$ 0	\$ 10,000	\$ 59,578
Business Enterprise	91,956	24,415	0	25,000	92,541
IRP Loans	348,022	44,223	0	326,000	629,799
EDA I & II Loans	<u>1,237,028</u>	<u>209,812</u>	<u>0</u>	<u>323,500</u>	<u>1,350,716</u>
Total	<u>\$1,732,155</u>	<u>\$ 284,021</u>	<u>0</u>	<u>\$ 684,500</u>	<u>\$2,132,634</u>

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2014

Note 10 Long Term Notes Payable

The long term notes payable and classification are as follows:

June 30, 2015

Southeast Iowa Regional Planning Commission has entered into a loan agreement with the United States Department of Agriculture, Intermediary Re-lending Program. The loan agreement, dated July 9, 2003, is for the sum of \$600,000, interest at a fixed rate of 1% per annum, for a term of 30 years. The repayment shall be made in 27 equal installments of \$25,470 including principle and interest beginning July 9, 2007. The loan agreement requires a restricted cash account to be maintained at 6% of the balance outstanding, which is currently \$26,232.

\$438,675

Southeast Iowa Regional Planning Commission, has entered into a loan agreement with the United States Department of Agriculture, Intermediary Re-lending Program. The loan agreement, dated August 1, 2006, is for the sum of \$600,000, interest at a fixed rate of 1% per annum, for a term of 30 years. The repayment shall be made in 27 equal installments of \$25,470 including principle and interest beginning July 28, 2010. The loan agreement requires a restricted cash account to be maintained at 6% of the balance outstanding which is currently \$11,556

323,968

Southeast Iowa Regional Planning Commission has entered into a real estate mortgage agreement with a financial institution to purchase land, building, and improvements. The real estate mortgage agreement, dated October 1, 2010, is for a total of \$413,000.00. The interest rate was fixed as of June 30, 2015 at 4.75%. The real estate mortgage agreement, modified April 7, 2015, calls for quarterly payments of principal and interest payable in equal payments of \$10,000.00 beginning July 1, 2015 until October 1, 2020, on which date the entire remaining indebtedness then unpaid and owing under this note shall be due and payable in full. The mortgage is secured by a standard Real Estate Mortgage of property & is dated October, 2010.

331,138

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2015

Note 10 Long Term Notes Payable (continued)

Southeast Iowa Regional Planning Commission has entered into an installment loan agreement with a financial institution to purchase vehicles. The installment agreement, dated March 2014, is for the sum of \$25,005.00, interest at a fixed rate of 3.50%, for a term of 48 months. The repayment shall be made in equal installments of \$520.94, including principle and interest, beginning April 2014.

18,165

Total Notes Payable

1,111,946

Current Portion of Long Term Debt

(64,637)

Long Term Portion

\$ 1,047,309

Maturities of notes payable over the next five years are as follows:

June 30, 2016	64,637
June 30, 2017	66,375
June 30, 2018	68,174
June 30, 2019	64,603
June 30, 2020	65,568
Thereafter	<u>782,589</u>

Total

\$ 1,111,946

Note 11 Subsequent Events

Through the date the financial statements were available to be issued, management evaluated subsequent events.

SUPPLEMENTAL INFORMATION

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
SCHEDULE OF PROGRAM FUNDS
Year Ended June 30, 2015

	Indirect Costs	Community Planning & Admin. Programs	Economic Development Planning	Revolving Loan Funds
Revenues:				
Federal awards	\$ 0	\$ 0	\$ 91,500	\$ 0
State/local contracts	0	316,380	0	0
General/per capita	0	83,302	0	0
Loan repayments	0	0	0	290,121
Interest-loans	0	0	0	66,610
Interest-investments	0	2,160	0	4,047
Other revenues	0	112,729	0	25,515
Matching funds & reimburs.	0	0	69,662	0
In-Kind	0	0	21,838	0
Total Revenues	<u>0</u>	<u>514,571</u>	<u>183,000</u>	<u>386,293</u>
Expenses:				
Salary & wages	183,982	142,398	87,878	37,900
Payroll tax expense	12,823	10,236	6,248	2,717
Pension expense	15,953	12,539	7,809	3,361
Employee benefits	35,542	16,337	14,945	5,326
Professional fees	20,554	115	0	391
Advertising & marketing	1,255	2,404	0	0
Contractual expenses	5,939	23,402	0	0
Copier expense	5,273	0	0	0
Dues & subscriptions	2,625	7,982	30	25
Information technology	5,680	726	266	0
Office & admin.	3,969	7,779	838	22,436
Inspection & testing	0	0	0	0
Insurance	29,192	11,278	0	0
Meetings	1,532	756	224	27
Printing & postage	3,864	255	102	9
Occupancy expense	50,327	576	0	0
Loans & grants	0	0	0	684,500
Repairs & maintenance	0	18,885	0	0
Rent	30	0	0	0
Supplies	7,841	1,379	0	0
Vehicle exp.	1,359	7,641	483	107
Telecommunications	15,086	624	0	0
Travel & training	966	3,799	651	5
Interest	0	20,098	0	7,503
Loan payments	0	0	0	34,128
Matching funds expense	0	81,465	0	0
Depreciation	5,604	2,858	0	0
Pension expense-funding purpose	0	(44,401)	0	0
In-kind expenditures	0	0	21,838	0
Total Direct Expense	409,396	329,131	141,312	798,435
Indirect allocation	(409,987)	64,200	41,688	17,598
Indirect allocation GRHTF	(14,280)	0	0	0
Total Expenses	<u>(14,871)</u>	<u>393,331</u>	<u>183,000</u>	<u>816,033</u>
Change in Net Assets	\$ <u>14,871</u>	\$ <u>121,240</u>	\$ <u>0</u>	\$ <u>(429,740)</u>

Multi-Family New Construction Program	Local Housing Admin Programs	Single-Family New Construction Program	Regional Intermodal Planning	(SEIBUS) Region 16 Public Transit	
				Operating	Capital
\$2,121,802	\$ 323,619	\$ 78,750	\$165,266	\$ 288,460	\$ 0
0	32,413	0	29,500	324,880	0
0	0	0	0	149,059	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	96	0
146,133	53,736	14,695		408,483	0
0	0	0	11,803	0	0
0	0	0	0	0	0
<u>2,267,935</u>	<u>409,768</u>	<u>93,445</u>	<u>206,569</u>	<u>1,170,978</u>	<u>0</u>
59,437	43,842	3,464	112,395	390,756	0
4,016	2,996	244	8,057	29,267	0
5,289	3,786	309	8,556	34,961	0
14,525	7,516	155	13,969	80,525	0
0	0	0	0	28,047	0
112	153	0	1,022	8,541	0
0	0	0	0	6,595	0
0	0	0	0	0	0
0	1,265	0	1,054	2,531	0
0	866	0	1,043	1,313	0
2,173	1,708	0	4,090	1,050	0
456	992	0	0	0	0
0	0	0	0	61,046	0
0	66	0	769	440	0
87	321	0	131	938	0
0	0	0	0	0	0
2,121,802	16,100	78,750	0	0	0
0	0	0	0	0	0
0	0	0	0	7,800	0
7	137	0	1,286	764	0
745	885	5	2,764	222,992	0
0	0	0	0	9,001	0
628	2,542	0	769	192	0
0	168	1,743	0	0	0
0	348,797	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>2,209,277</u>	<u>432,140</u>	<u>84,670</u>	<u>155,905</u>	<u>886,759</u>	<u>0</u>
29,542	20,166	1,480	50,664	184,649	0
0	0	0	0	0	0
<u>2,238,819</u>	<u>452,306</u>	<u>86,150</u>	<u>206,569</u>	<u>1,071,408</u>	<u>0</u>
\$ <u>29,116</u>	\$ (<u>42,538</u>)	\$ <u>7,295</u>	\$ <u>0</u>	\$ <u>99,570</u>	\$ <u>0</u>

See accompanying Independent Auditor's Report.

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SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2015

<u>Direct:</u>	<u>CFDA #</u>	<u>Agency or Pass-through Number</u>	<u>Total Expenditures</u>
<u>U.S. Department of Commerce:</u>			
Economic Development Support for Planning Organizations -EDA planning grant	11.302	05-83-04980-02	\$ 183,000
Economic Adjustment Assistance Grant			
EDA I RLF Federal Awards Expended Calc	11.307		503,846
EDA II RLF Federal Awards Expended Calc	11.307		761,023
			<u>1,447,869</u>
<u>Indirect:</u>			
<u>U.S. Department of Housing & Urban Development:</u>			
Iowa Economic Development Authority			
Sub-recipient - City of Keokuk	14.228	12-HSG-006	212,015
Sub-recipient - City of Burlington	14.228	11-HSG-005	121,593
Sub-recipient - Dubuque County			
Sub-recipient - East Central Intergovernmental Assn. (ECIA)			
CDBG Disaster Recovery Housing Contract	14.228	08-DRH-004/204	2,238,819
Single Family New Construction	14.228	08-DRH-004/204	78,750
			<u>2,651,177</u>
<u>U.S. Department of Transportation:</u>			
Iowa Department of Transportation			
Planning Joint Participation Agreement			
To Implement Regional Intermodal Planning	20.205	15RPA-16	140,100
Planning Joint Participation Agreement			
To Implement Regional Intermodal Planning	20.509	15RPA-16	25,166
Non-urban Operating Assistance	20.509	18-0031-160-15	288,460
			<u>453,726</u>
			\$ <u>4,552,772</u>

Basis of Presentation: The Schedule of Expenditures of Federal Awards includes the federal grant activity of Southeast Iowa Regional Planning Commission is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

See accompanying Independent Auditor's Report.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
LAST FISCAL YEAR*

	<u>2015</u>
Proportion of the net pension liability	.015302
Proportionate share of the net pension liability	\$ 619,301
Covered-employee payroll	\$ 1,060,018
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	58.42%
Plan fiduciary net position as a percentage of the total pension liability	80.21%

* The amounts presented for each fiscal year were determined as of June 30.

See accompanying Independent Auditor's Report.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
 SCHEDULE OF IPERS CONTRIBUTIONS - LAST 9 YEARS
 JUNE 30, 2015

<u>Fiscal Year</u>	<u>Statutorily Required Contribution</u>	<u>Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contribution Percentage of Payroll</u>
2015	\$ 94,659	\$ 94,659	0	\$1,060,018	8.93%
2014	91,249	91,249	0	1,021,822	8.93%
2013	85,320	85,320	0	984,081	8.67%
2012	78,273	78,273	0	969,925	8.06%
2011	68,216	68,216	0	981,519	6.95%
2010	78,864	78,864	0	1,185,929	6.65%
2009	69,731	69,731	0	1,098,123	6.35%
2008	52,217	52,217	0	863,086	6.05%
2007	41,417	41,417	0	720,304	5.75%

Note: GASB Statement No. 68 requires ten years of information to be presented In this table. However, until a full 10-year trend is compiled, the Organization will present information for those years for which information is available.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY
YEAR ENDED JUNE 30, 2015

Changes of benefit terms:

Legislation passed in 2010 modified terms for current Regular members. The definition of final average salary changes from the highest three to the highest five years of covered wages. The vesting requirement changes from four years of service to seven years. The early retirement reduction increased from 3 percent per year measured from the member's first unreduced retirement age to a 6 percent reduction for each year of retirement before age 65.

In 2008 legislative action transferred four groups - emergency medical service providers, county jailers, county attorney investigators, and National Guard installation security officers - from Regular membership to the protection occupation group for future service only.

Benefit provisions for sheriffs and deputies were changed in the 2004 legislative session. The eligibility for unreduced retirement benefits was lowered from age 55 by one year each July 1 (beginning in 2004) until it reached age 50 on July 1, 2008. The years of service requirement remained at 22 or more. Their contribution rates were also changed to be share 50-50 by the employee and employer, instead of the previous 40-60 split.

Changes of assumptions:

The 2014 valuation implemented the following refinements as a result of a quadrennial experience study:

- Decreased the inflation assumption from 3.25 percent to 3.00 percent.
- Decreased the assumed rate of interest on member accounts from 4.00 percent to 3.75 percent per year.
- Adjusted male mortality rates for retirees in the Regular membership group.
- Reduced retirement rates for sheriffs and deputies between the ages of 55 and 64.
- Moved from an open 30 year amortization period to a closed 30 year amortization period for the UAL beginning June 30, 2014. Each year thereafter, changes in the UAL from plan experience will be amortized on a separate closed 20 year period.

The 2010 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted retiree mortality assumptions.
- Modified retirement rates to reflect fewer retirements.
- Lowered disability rates at most ages.
- Lowered employment termination rates.
- Generally increase the probability of terminating members receiving a deferred retirement benefit.
- Modified salary increase assumptions based on various service duration.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION LIABILITY (cont'd)
YEAR ENDED JUNE 30, 2015

The 2007 valuation adjusted the application of the entry age normal cost method to better match projected contributions to the projected salary stream in the future years. It also included in the calculation of the UAL amortization payments the one-year lag between the valuation date and the effective date of the annual actuarial contribution rate.

The 2006 valuation implemented the following refinements as a result of a quadrennial experience study:

- Adjusted salary increase assumptions to service based assumptions.
- Decreased the assumed interest rate credited on employee contributions from 4.25 percent to 4.00 percent.
- Lowered the inflation assumptions from 3.50 percent to 3.25 percent.
- Lowered disability rates for sheriffs and deputies and protection occupation members.

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January 8, 2016

RTS CERTIFICATION BY INDEPENDENT AUDITOR

To the Board of Directors
Southeast Iowa Regional Planning Commission
Burlington, Iowa

I have audited the contracting opportunities and Disadvantaged Business Enterprise and Women Business Enterprise participation summary of Southeast Iowa Regional Planning Commission (Transit System). My audit of the report details included tests of accounting records, purchase orders, and contracts issued to Disadvantaged Business Enterprise and Women Business Enterprise firms as we considered necessary to verify that the information reported corresponds with the transit system's financial statements and other official documentation. It was not within the scope of my audit to make any assurances about the eligibility of any firm to be certified as a Disadvantage Business Enterprise or Women Business Enterprise, since the Iowa Department of Transportation assumes this responsibility. Tests were conducted to assure that this information fairly reflects the transit system's efforts to comply with Section 105(f) and Subpart D of the Surface Transportation Assistance Act of 1982.

The tests of accounting records and inquiries with management indicated that effort is made to identify Disadvantaged Business Enterprises and Women Business Enterprise. Management has procedures which identify current vendors as eligible to be certified as a Disadvantaged Business Enterprise and Women Business Enterprise.

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January 8, 2016

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS

To the Board of Directors
Southeast Iowa Regional Planning Commission
Burlington, Iowa

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Southeast Iowa Regional Planning Commission, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Southeast Iowa Regional Planning Commission's basic financial statements, and have issued my report thereon dated January 8, 2016.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Southeast Iowa Regional Planning Commission's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southeast Iowa Regional Planning Commission's internal control. Accordingly, I do not express an opinion on the effectiveness of Southeast Iowa Regional Planning Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Southeast Iowa Regional Planning Commission's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during the audit, I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Southeast Iowa Regional Planning Commission's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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January 8, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors
Southeast Iowa Regional Planning Commission
Burlington, IA

Report on Compliance for Each Major Federal Program

I have audited Southeast Iowa Regional Planning Commission's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Southeast Iowa Regional Planning Commission's major federal programs for the year ended June 30, 2015. Southeast Iowa Regional Planning Commission's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Southeast Iowa Regional Planning Commission's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Southeast Iowa Regional Planning Commission's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Southeast Iowa Regional Planning Commission's compliance.

Opinion on Each Major Federal Program

In my opinion, Southeast Iowa Regional Planning Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Internal Control Over Compliance

Management of Southeast Iowa Regional Planning Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered Southeast Iowa Regional Planning Commission's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Southeast Iowa Regional Planning Commission's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by
OMB Circular A-133**

I have audited the financial statements of Southeast Iowa Regional Planning Commission as of and for the year ended June 30, 2015, and have issued my report thereon dated January 8, 2016, which contained an unmodified opinion on those financial statements. My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

SOUTHEAST IOWA REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015

Part I: Summary of the Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No matters were reported
Reportable condition(s) identified	
not considered to be material weaknesses?	No matters were reported
Noncompliance material to	
financial statements noted?	No matters were reported

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No matters were reported
Reportable condition(s) identified	
not considered to be material weaknesses?	No matters were reported
Type of auditor's report issued on	
compliance for major programs:	Unqualified
Any audit findings disclosed that are	
required to be reported in accordance	
with Circular A-133. Section .510(a)?	No matters were reported

Identification of major programs:

U.S. Department of Commerce:	
Economic Development Revolving Loan Fund	11.307
U.S. Department of Housing & Urban Development:	
Disaster Recovery Housing Contract	14.228
Single Family New Construction	14.228
Rental Rehabilitation Home	14.228
U.S. Department of Transportation:	
Planning Joint Participation Agreement	
To Implement Regional Intermodal Planning	20.509
Non-urban Operating Assistance	20.509

Dollar threshold used to distinguish	
between Type A and Type B programs:	\$ 500,000

Auditee qualified as low risk.

Part II: Findings relating to the financial statements which are required to be reported in accordance with Governmental Auditing Standards.

No matters were reported

Part III: Findings and questioned costs for Federal Awards which shall include audit findings as defined in OMB Circular A-133.

No matters were reported